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MEMORANDUM FOR: Deputy Director for Administration

25X1 FROM:

[REDACTED]
CORE Working GroupSUBJECT: CAT II Future Efficiencies through Capital
Investment (U)

1. Future efficiencies that could be realized by near-term capital investment are summarized in the attachment. There are three categories of capital investments:

- CAT IIA - Those requiring capital investment in the 4th quarter FY-81.
- CAT IIB - Those requiring capital investment in 1st quarter FY-82.
- CAT IIC - Those requiring capital investment in FY-82.

All of the CAT IIA items have been submitted to the DDA as unfunded requirements. CAT IIB and IIC items will be surfaced as unfunded as we proceed into the new fiscal year.

2. All of this information will be included in the final report but is submitted now in hopes that it will receive early consideration for reprogramming Agency funds this fiscal year.

Attachment:
As stated

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THIS MEMORANDUM WILL BE UNCLASSIFIED
WHEN ATTACHMENTS REMOVED

WARNING NOTICE
INTELLIGENCE SOURCES
AND METHODS INVOLVED

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ATTACHMENT

CAT II FUTURE EFFICIENCIES
THROUGH
CAPITAL INVESTMENT

S E C R E T

SUMMARY OF OFFICE SUBMISSION

CAT II CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

<u>OFFICE</u>	<u>TITLE</u>	<u>SAVINGS</u>
OL	New Printing Equipment	\$248K/Yr.
OL	Enhance 	\$38.5K/Yr.
OL	Logistics Integrated Management System	\$1000K-\$1500K
OL	Property Accounting System	\$265K/Yr.
OL	Utilities Reliability Improvements	
OL	Improved Energy Efficiency of Existing Buildings & Equipment	\$1200K/Yr.
OL	Takeover Headquarters from General Services Administration	\$2900K/Yr.
ODP	Capital Investments to Improve the Productivity of ADP Central Service User Community	\$1670K/Yr.
ODP	Increase in Funds and/or Positions for Software Development	
OS	Technical Security Recapitalization	\$412K
OS	Security Communications Improvement Program (Project SCIP)	\$51K
OS	FY-1983 Theme Package on Terrorism	\$150K
OMS	Develop Text/Report Writing Software Package	\$40K/Yr.
OMS	Acquisition of Two Scan-Tron 5098 Optical Mark Readers	\$16K/Yr.
OMS	Acquire a Dual-Station NBI-3000 Word Processing System	\$15K/Yr.
OMS	Automate CCCR Data Input	\$60K/Yr.

S E C R E T

S E C R E T

<u>OFFICE</u>	<u>TITLE</u>	<u>SAVINGS</u>
OMS	Implement Field PATB-II Testing	\$100K/Yr.
OIS	On-Line Records Retrieval and Search System	\$154K/Yr.
OIS	Control of Top Secret Collateral Material	\$22K
OIS	Headquarters Records Review	\$207K
OF	Field Accounting System	TBD
OF	Payroll System	\$98K/Yr.
OF	Logistics Integrated Management System	\$27K/Yr.
25X1	[REDACTED]	
	OTE Improve TV Production Facilities	\$142K/Yr.
	OTE New Special Operations Training Course Classroom	
25X1	OTE Addition to [REDACTED] Conference Site	
	OTE New Classroom Building and Dormitory [REDACTED]	25X1
	OTE Computer Assisted Language Instruction	
	OTE Automation of Language Lab	
	OC Acceleration of Secure Voice Program	\$1.4M
	OC Modify Black Telephone Service	\$134K/Yr.
	OC SKYLINK Converter	\$250K
25X1	OC [REDACTED]	\$220K/Yr.

S E C R E T

CATEGORY IIA

S E C R E T

OFFICE OF COMMUNICATIONS

CAT IIA/B CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

1. ACCELERATION OF SECURE VOICE PROGRAM

Acceleration of installation of the secure voice switches in the Headquarters building and the satellite buildings will permit elimination of the red telephone system, the gray telephone system, and the 758-C switch at Headquarters for a savings of approximately \$500K a year. Options on the present contract would result in a savings of an additional \$900K by avoiding the inflation costs which are part of the present contract.

TOTAL COST	<u>\$6,719K</u>
BUDGET	<u>\$6,517K</u>
SURGE	<u>Grids \$702K 4th Qtr</u> <u>FY-81</u> <u>Hqs switches \$2685K</u> <u>Out switches \$1337K</u> <u>STU-II 1st QTR 82</u> <u>\$1368K</u>
SAVINGS	<u>\$1.4M</u>

S E C R E T

S E C R E T

OFFICE OF FINANCE

CAT IIA CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

1. OF FIELD ACCOUNTING SYSTEM

The development of a field accounting system will simplify the recordation and reporting of field financial transactions without lessening the flow of management information or weakening controls against fraud and waste. The system will electrically feed detailed information from the field to Headquarters and automatically record transactions, and allow for the production of accounting and other management reports for electronic transmission to the field. This project is closely related to the goals of the DDO's CRAFT project. It will assist in making the overseas station a more secure and efficient operation. At this stage savings and costs cannot be estimated.

TOTAL COST	TBD
BUDGET	-
SURGE	\$42K
SAVINGS	TBD

S E C R E T

S E C R E T

OFFICE OF MEDICAL SERVICES

CAT IIA CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

1. DEVELOP TEXT/REPORT WRITING SOFTWARE PACKAGE THAT WILL INTERFACE WITH PSD INFORMATION RETRIEVAL SYSTEM

Develop a generalized text/report writing software package that will interface with Psychological Services Division (PSD) data analysis and information storage and retrieval system. The cost is approximately \$140,000. The savings associated with the development of this software will include the 3,000 hrs/yr currently spent writing text for Psychological Test Battery skills bank reports (\$40,000/yr). Furthermore, this software will provide report-writing capabilities which will permit PSD to respond much faster to other routine report-writing tasks. (This package was endorsed by ODP on 28 July 1981 and will be forwarded to the next Comptroller's meeting for approval.)

TOTAL COST	<u>\$140K</u>
BUDGET	<u></u>
SURGE	<u></u>
SAVINGS	<u>\$40K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF LOGISTICS

CAT IIA CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

1. NEW PRINTING EQUIPMENT

The acquisition of a laser platemaker in FY-82 will automate the production of printing plates and reduce the need for the photographic process traditionally required in offset lithography. This is expected to result in a film cost savings of \$80,000 per year, and a labor savings of two man-years, or \$56,000 per year, in pre-press operations. Efficiencies resulting from the replacement of a 26-year-old 48-inch single-color press in FY-82 are expected to save a man-year in the press room with a dollar value of \$28,000. Replacement of two 40-inch presses in FY-83, and their consolidation in a single four-color 40-inch press will save an additional man-year in press room staffing requirements. The installation of an Atex 8090 Mini-Edit text editing system in NFAC, which will interface with ETECS, will permit more efficient utilization of personnel and faster job throughput thus saving the Agency, not necessarily the Printing and Photography Division (P&PD), an estimated two man-years while improving product quality. In total, the estimated material and manpower savings resultant from the planned initiatives will be \$248,000 per year.

TOTAL COST	<u>\$1,200K</u>
BUDGET	<u></u>
SURGE	<u>\$550K 4TH QTR 1981</u>
SAVINGS	<u>\$248K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF COMMUNICATIONS

CAT IIA CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

2. MODIFY BLACK LINE TELEPHONE SERVICE*

25X1 Replace the [] service with new switches located
25X1 at [] South Building, Chamber of Commerce and Ames Building. A one-time charge of \$212K will result in telephone billing savings of \$11.2K per month over existing service.

TOTAL COST	<u>\$212K</u>
BUDGET	<u>-0-</u>
SURGE	<u>\$212K</u>
SAVINGS	<u>\$134,400 per annum</u>

*Funds have been provided for this effort.

S E C R E T

S E C R E T

OFFICE OF MEDICAL SERVICES

CAT IIA CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

2. ACQUISITION OF TWO SCAN-TRON 5098 OPTICAL MARK READERS.

Acquisition of two Scan-Tron 5098 Optical mark readers and Delta Data 7268 terminal. Savings with the acquisition of this equipment will be in the number of hours of maintenance on the IBM-1230 (300 hrs/yr); the amount of time currently spent handling, verifying, and producing the card decks from the IBM-1230 (600 hrs/yr) (\$8,500/yr), and the yearly cost of renting the IBM-1230 (\$7,400). Efficiency will occur in the form of improved Psychological Services Division response time to consumers and reliability of the product. A savings of circa \$16,000/yr by replacing obsolete (often non-functioning) IBM-1230's. The cost of the two Scan-Tron 5098 Optical mark readers is \$27,500 (already approved as unfunded requirement for FY-81).

TOTAL COST	<u>\$25.5K</u>
BUDGET	<u></u>
SURGE	<u>\$25.5K 4th Qtr 81</u>
SAVINGS	<u>\$16K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF LOGISTICS

CAT IIA CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

25X1 2. ENHANCE [] EFFICIENCIES OF OPERATION THROUGH CAPITAL INVESTMENTS

Install broad-based line conveyor in receiving/shipping area (reduce cargo handling, save time and manpower). Estimated: \$25,000

Expand use of "Instapaking" (save an estimated 1-1/2 years on material and man-hours). Estimated: \$15,000

25X1 Procurement of six each Raymond Extended-Reach Forktrucks (gain optimum use of [] floor space). Estimated: \$114,000

Procurement of two electric forktrucks (should give an estimated 1/2 man-year saving/year). Estimated: \$30,000

Replace sawdust waste evacuator (improve environment and enhance safety). Estimated: \$20,000

25X1 Replace antiquated [] heating units (improve environment and enhance safety (Real Estate and Construction Division should provide costs). Estimated: Unknown

25X1 Construct temperature-controlled room [] (release prime [] storage space now used for hazardous materials).
Estimated: \$20,000

25X1

Relocate ARS #1 (should provide a saving of at least two man-hours/day). Estimated: \$5,000

S E C R E T

S E C R E T

TOTAL COST	<u>\$229K</u>
BUDGET	<u></u>
SURGE	<u>80K 4TH QTR FY81</u>
SAVINGS	<u>\$38.5K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF COMMUNICATIONS

CAT IIA CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

3. SKYLINK CONVERTERS

25X1 The Satellite Section of the Office of Communications has an
ongoing project that needs additional FY-81 funding. This project
is the conversion [] up/down converter field spares into com-
plete units for total redundant field terminals. The additional
funds needed are \$500K. Savings in outyear funding if procured this
25X1 year would be \$250K. If the contractor []
[] does not win the FY-82 [] this
project could be much higher, as total new converters would have
to be procured.

25X1
25X1

TOTAL COST	<u>\$500K</u>
BUDGET	<u>\$750K Outyear</u>
SURGE	<u>\$500K</u>
SAVINGS	<u>\$250K</u>

S E C R E T

CATEGORY IIB

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S E C R E T

OFFICE OF DATA PROCESSING

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

1. CAPITAL INVESTMENTS TO IMPROVE THE PRODUCTIVITY OF THE
ADP CENTRAL SERVICE USER COMMUNITY

This user community includes software developers and those engaged in software maintenance, production functions and data entry. This group includes professional and the "do your own" occasional programmer. A conservative estimate of this population is 3,850 users Agency-wide (the current number of VM timesharing USERIDs). The goal would be to increase support slots and provide funds to produce a ten percent improvement in ADP productivity.

A ten percent productivity improvement for a population of 3,850 VM users, estimated as devoting 25 percent of their time to ADP functions results in estimated savings of \$2.74 million dollars annually.* The investment required to produce this savings can be roughly estimated as

for an annual cost of \$.57 million dollars and an additional \$.50 million dollars for procurement of commercial software (program development tools, etc) and a pool of external contract funds to support human engineering efforts on existing or new software.

The net annual savings is therefore estimated as \$1.67 million dollars (\$2.74M-\$1.07M=\$1.67M). Over a ten-year period this savings amounts to \$16.7 million dollars.

* Estimated on the basis of \$28,500 annual (burdened) ODP salary. Annual Savings (\$) = (.10 savings)x(.25 ADP tasking)x(3,850 users)x(28,500 salary) = \$2.74M

S E C R E T

S E C R E T

TOTAL COST	<u>\$1,070K/Yr.</u>
BUDGET	<u> </u>
SURGE	<input type="checkbox"/> Positions \$570K
	<u>Software support</u>
	<u>\$500K</u>
SAVINGS	<u>\$1,670K/Yr.</u>

25X11

S E C R E T

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OFFICE OF DATA PROCESSING

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

2. INCREASE IN FUNDS AND/OR POSITIONS FOR SOFTWARE DEVELOPMENT

Many cost savings recommendations derive from the benefits of automating manual systems or redesigning currently automated systems. ODP and the Agency in general are currently underinvested in the software development area: additional funds and/or slots for ODP or other components would mitigate this problem. Cost savings would of course depend on the specific application automated, but just in terms of the specific computer systems addressed by DD/A components the savings can be expected to aggregate to well in excess of \$500,000 on an annual basis.

S E C R E T

S E C R E T

OFFICE OF LOGISTICS

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

3. LOGISTICS INTEGRATED MANAGEMENT SYSTEM (LIMS)

The primary intent of the LIMS project is paraphrased from the project Goal: To develop an integrated management system that recognizes and reacts to service requirements . . . enhances operational efficiency, effectiveness and productivity . . . increase(s) automation in OL information handling (and processing transactions) . . . supports worldwide OL (and Agency) operations. . . interface(s) with Agency accounting, budget, and payment processes. The foremost objective of LIMS is to dramatically improve the Office of Logistics' (OL) response to its customers, in terms of the acquisition and delivery of requested and required goods and services and support a rapid vendor payment process.

Quantitatively, the internal requisition and processing sequence involving significant labor-intensive and paper-dependent processes currently averages 55 days of throughput. Using the same or fewer personnel, the LIMS system will simplify processes, increase accuracy, provide timely information, improve vendor relationships, minimize bureaucratic procedures and, importantly, modernize the manner in which business is conducted today and in the future. The benefits of a LIMS system, with its projected responsiveness, will become especially vital in supporting covert action programs and the exploitation of targets of opportunity.

Perceived automation within LIMS will: electrically link a minimum of [redacted] Agency locations to the OL materiel support system (and, in concert with CRAFT, be expanded to include [redacted] overseas stations); absorb/consolidate at least eight presently autonomous OL data base systems; expedite transactions involving more than 44,000 annual procurement actions, valued at \$218,000,000; enhance the management of \$86,500,000 worth of onhand inventories; effect efficiencies in handling in excess of 33,000 shipments annually; streamline a myriad of procedures involved in handling in excess of 68,000 line items contained in 32,000 requisitions; significantly reduce today's paperwork shuffle and its associated costs of clerical effort, filing, logging, labor--and the generation of more than 1,000,000 xerox copies annually, within the supply and procurement functions.

S E C R E T

S E C R E T

TOTAL COST	<u>\$2,700K</u>
BUDGET	<u>\$350K FY-82</u> <u>\$1,412K FY-83</u>
SURGE	<u>Need \$189K 1st</u> <u>Qtr 1982</u>
SAVINGS	<u>\$1000K-\$1500K</u>

S E C R E T

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25X1

S E C R E T

OFFICE OF MEDICAL SERVICES

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

4. AUTOMATE CCCR DATA INPUT AND/OR ACQUIRE ACCESS TO SAFE INFORMATION

Automate Counterterrorism and Crisis Response (CCCR) data and/or acquire access to SAFE information with aid of computer terminal. This will permit CCCR to perform more timely and accurate research and analysis of terrorist groups and trends, and therefore update and enhance their training and crisis management capabilities. To achieve similar productivity without the computer terminal, if it were indeed possible, would require an expenditure of at least \$60K (two analysts \$30,000/yr).

TOTAL COST	<u>\$20K</u>
BUDGET	<u></u>
SURGE	<u>\$20K 1st Qtr 82</u>
SAVINGS	<u>\$60K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF LOGISTICS

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

4. OL PROPERTY ACCOUNTING SYSTEM

25X11 The development of an Agency standard automated package for property accountability will provide a vehicle to track Agency world-wide assets valued at [REDACTED]. The system will replace existing labor-intensive, paper-dependent processes, and correct inefficiencies associated with the explosion of autonomously developed non-standard property systems at the user level. Automation of the property accountings process will diminish requirements for support professionals overseas; thereby providing for an increased operational presence, free ODP manpower resources to undertake new automation initiatives, and provide deployment of modern property accounting methodologies in the 1980's and 1990's.

*Excludes OL Inventory Assets.

TOTAL COST	<u>\$135K</u>
BUDGET	<u>-0-</u>
SURGE	<u>\$135K 1st Qtr FY-82</u>
SAVINGS	<u>\$265K/Yr.</u>

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S E C R E T

OFFICE OF LOGISTICS

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

5. NEW BUILDING AT HEADQUARTERS

Capital investment in a new building on the Langley Compound for consolidation of the Headquarters organization can achieve annual savings in excess of \$5,300,000 by 1985. This figure is comprised of:

- a. Reduction in Commo leased lines
- b. Reduction in the number of Federal Protective Officers
- c. Reduction in costs of TEMPEST testing and countermeasure design
- d. Employee lost man-hours on the shuttle
- e. Reduction of shuttle operating fund
- f. Motor Pool employee reduction
- g. Courier personnel reduction
- h. Reduction in reimbursement for use of POV.

TOTAL COST	<u>\$200,000,000</u>
BUDGET	<u>\$250K FY-81</u>
SURGE	<u>\$2010K 1ST Qtr 1982</u>
SAVINGS	<u>\$5300K/Yr. 1985 Out</u>

S E C R E T

S E C R E T

OFFICE OF LOGISTICS

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

6. UTILITIES RELIABILITY IMPROVEMENTS

Construction of a special chilled water loop to cool high heat load operational equipment separate from main building cooling systems could cost an estimated \$825,000. Primary advantage is that concentrations of electronic equipment which cannot be accommodated by the regular building air conditioning can be placed on this system. Where some of this equipment must be run after working hours, it can be accommodated far more economically by servicing only the room directly involved rather than running all the space in that entire side of the building. For instance, to run one office on the seventh floor, at present, involves operation of two main air handlers covering 81,000 square feet of space at a cost of approximately \$22 per hour. This same office could operate for 30 cents per hour if served by the proposed chilled water loop or a 98.4 percent savings on present operating costs of over \$8,000 per season in this one area.

TOTAL COST	<u>\$825K</u>
BUDGET	<u>-0-</u>
SURGE	<u>\$825K 1ST QTR FY82</u>
SAVINGS	<u>(see note)</u>

Note - The initial \$825,000 would build the main risers forming the trunk of a system that could then be developed incrementally. The savings would accrue according to the rate of development of the potential. The main advantage is to be able to cool areas beyond the capability of the building system. Savings are secondary advantages.

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OFFICE OF MEDICAL SERVICES

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

A DUAL-STATION NBI-3000 WORD PROCESSING SYSTEM

are a dual-station NBI-3000 word processing system for the Medical Services Division (PSD) Assessment Branch. The cost of the system is \$17.4K. Efficiency will be measured mainly in productivity output per unit time spent at the keyboard. In general, the more time spent (and the longer) the typing job, the more time is saved using the NBI-3000. This will allow PSD to reallocate material resources and save one-half man years or \$15,000.

TOTAL COST	<u>\$17.4K</u>
BUDGET	<u></u>
SURGE	<u>\$17.4K 1st Qtr 82</u>
SAVINGS	<u>\$15K/Yr.</u>

S E C R E T

CATEGORY IIC

S E C R E T

OFFICE OF INFORMATION SERVICES

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

1. ON-LINE RECORDS RETRIEVAL AND SEARCH SYSTEM WITH RECORDS CENTER (RAMS)

Using RAMS as a computer aid in servicing approximately 350 requests per day from Agency components for Records Center files will save \$154,000 per year in employee time devoted to manually filling out and processing records requests forms. The electronic transmission of records requests (instead of using a courier) will reduce by one day, from approximately three, the time required for obtaining a file.

TOTAL COST	_____
BUDGET	_____
SURGE	_____
SAVINGS	<u>\$154K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF SECURITY

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

1. SECURITY COMMUNICATIONS IMPROVEMENT PROGRAM (PROJECT SCIP)

A comprehensive program to provide OS [redacted] with the word processing, data processing and telecommunications technology now available to greatly enhance the creation, storage and flow of information [redacted] has been included in the FY-1983 budget submission. SCIP budget projections through FY-1983 call for some \$840,000; however, an initial capital expenditure of about \$60,000 in FY-1982 will enable the proposed [redacted] test bed (the equipment for which already exists) to begin almost immediately. Funding the entire project on an accelerated basis would substantially avoid an estimated 7.9 percent inflation factor and could realize an estimated savings of some \$51,000 in terminal and printer costs alone.

25X1

25X1

25X1

TOTAL COST	<u>\$1300K</u>
BUDGET	<u>\$48K FY-82</u>
	<u>\$840K FY-83</u>
SURGE	<u>\$370K</u>
SAVINGS	<u>\$51K</u>

Terminal and Printer Costs:

FY-1981 Prices: \$368K
 No Speed-Up: \$420K
 Savings: \$ 52K

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OFFICE OF FINANCE

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

2. PAYROLL SYSTEM

25X11 The Agency will develop a new payroll system designed to meet all foreseeable legal and management requirements and to provide the services employees expect in these times. The project requires an initial input of people for systems design and programming, and may require equipment purchases. At present the Office of Data Processing has a request for ☐ positions in the FY-1983 budget to satisfy OF systems requirements. Equipment costs will not be known until the options for meeting requirements have been reviewed. The system will:

- Improve the input media for T&A data.
- Automate the amended T&A process.
- Provide automated calculation of rates of pay and entitlements.
- Allow access to pay data on a current basis at all times.
- Develop pay history data.

Savings are projected as:

- Reduction in ODP work load (\$39K)
- Elimination of overtime (\$56K)
- Equipment rental/service (\$3K)

TOTAL COST	<u>TBD</u>
BUDGET	<u>FY 82=0 FY 83=\$93K</u>
SURGE	<u>TBD</u>
SAVINGS	<u>\$98K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF INFORMATION SERVICES

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

2. CONTROL OF TOP SECRET COLLATERAL MATERIAL (TSCADS)

Developing a new software program for TSCADS to enable data inputters to keep up with current workload will save \$8,385 per year in overtime salary costs. Developing a computer program to compare data in TSCADS with component data as a means of conducting the annual inventory verification of TS materials will save an additional \$13,900 per year in salary costs. Presently the verification process is conducted manually by item.

TOTAL COST	_____
BUDGET	_____
SURGE	_____
SAVINGS	<u>\$22,285</u>

S E C R E T

S E C R E T

OFFICE OF SECURITY

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

2. TECHNICAL SECURITY RECAPITALIZATION

Repetitive nibbling away at carefully programmed, long-term cycled funding of our audio countermeasures equipment has been counterproductive. Increased unit cost, deferred purchases subject to inflation factors, tremendous wear and tear in pouching and constant advances in technology, all have resulted in an audio countermeasure capital equipment inventory inadequate in quantity and state-of-the-art. Also the [REDACTED] [REDACTED] has been particularly hard hit by chronic under-capitalization. Approximately \$5,884,000 will be required to overcome many years of underfunding in these programs. Price breaks resulting from large purchases would save approximately \$412,000. Avoiding the inflation impact resulting from out-year purchases would cause additional savings.

25X1

25X1

TOTAL COST	<u>\$5,884K</u>
BUDGET	<u>\$5,884K FY-83</u>
SURGE	<u>\$5,884K FY-82</u>
SAVINGS	<u>\$412K</u>

S E C R E T

S E C R E T

OFFICE OF FINANCE

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

3. LOGISTICS INTEGRATED MANAGEMENT SYSTEM - VENDOR PAYMENTS*

Payment of vendor and contractor bills is dependent on a system of manual procedures and interfaces between Agency offices, the Office of Logistics and the Office of Finance. In concert with the development of the Logistics Information Management System an automated vendor payment system will be developed which will reduce usage of overtime and ad hoc task forces. This system will also lead to improvement of the Agency's invoice payment process - both timeliness and accuracy. There will be an accompanying improvement in the Agency's ability to realize discounts and effectively manage cash flow to ensure payments are neither early nor late.

TOTAL COST	<u>TBD</u>
BUDGET	<u>-</u>
SURGE	<u>-</u>
SAVINGS	<u>\$27K/Yr.</u>

*See OL LIMS submission.

S E C R E T

S E C R E T

OFFICE OF INFORMATION SERVICES

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

3. HEADQUARTERS RECORDS REVIEW TO REDUCE FILING EQUIPMENT AND GAIN SPACE

The Headquarters records review, through reduction of records holdings, will free 270 safes for reuse, thus avoiding future procurement of an equivalent number of new safes to accommodate expanded operations or to replace those determined to be non-secure. The cost of a new safe is approximately \$768.

TOTAL COST	_____
BUDGET	_____
SURGE	_____
SAVINGS	_____ \$207K

S E C R E T

S E C R E T

OFFICE OF TRAINING & EDUCATION

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

3. IMPROVE TV PRODUCTION FACILITIES

25X1

The value of TV cameras related test and editing equipment and specialized props is approximately \$525,000. This is a modest facility which responds to program requests from all components of OTE and several non-OTE components. Because of the increased use of TV production as a training medium, there is a requirement to expand OTE TV program production quantitatively but more import qualitatively. Most of our TV productions are 10 minutes or more. Current commercial rates are \$1,000 per finished minute. To bring facility to minimum professional quality, \$225,000 is needed. We estimate we will amortize the \$225,000 in the first 18 months of operation.

25X1

TOTAL COST	<u>\$225K</u>
BUDGET	<u> </u>
SURGE	<u> </u>
SAVINGS	<u>\$142K/Yr.</u>

S E C R E T

S E C R E T

OFFICE OF SECURITY

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

3. FY-1983 THEME PACKAGE ON TERRORISM

25X1 The Agency's FY-1983 Program Call contains a Theme Package asking for \$3,611,000 to strengthen the security environment of

25X1 [REDACTED] The immediate funding of selected increments of this program will not only avoid the predictable impact of inflation on a necessary Agency activity but will be of benefit in providing our people [REDACTED] a more secure environment sooner. Monies invested in the near term in [REDACTED] residential and security equipment categories could save an estimated \$150,000 by avoiding inflation.

25X1

TOTAL COST	<u>\$3611K</u>
BUDGET	<u>\$3611K FY-83</u>
SURGE	<u>\$3611K FY-82</u>
SAVINGS	<u>\$150K</u>

PROPOSED FY-1983 EXPENDITURES

25X1 [REDACTED] Security \$ 300K
 Residential Security 1,505K
 Security Equipment 100K

\$1,905K
 X 7.9% inflation factor
 \$ 150K

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4. NEW SPECIAL OPERATIONS TRAINING COURSE CLASSROOM

Construction of a butler-type building for use as a Special Operations Training Course classroom. This would free up the west wing of the TV studio at the [REDACTED] for offices, prop and costume storage. Present dual use of the building will be increasingly difficult to schedule as the number of TV productions increase. Currently, production must stop (due to the noise) whenever students enter or leave the TV studio building. Also, frequent ingress and egress reduce the efficiency of the air conditioning system, essential for reliable TV equipment operation. The estimated cost for the classroom is \$60,000 which would contribute substantially to improvement in TV productions and efficiency of approximately \$500,000 worth of equipment.

25X11

TOTAL COST	<u>\$60K</u>
BUDGET	<u></u>
SURGE	<u></u>
SAVINGS	<u>Better utilization</u> <u>of TV production</u> <u>area.</u>

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25X1 5. ADDITION TO [] CONFERENCE SITE

25X1 Construct a new wing on the [] conference facility to 25X1
 increase capacity [] by 20. This will permit conferences
 of 30-40 attendees to be held at one facility. Currently, [] 25X1
 can accommodate only 20 attendees but the average size conference has
 been 30-35 attendees. To accommodate the overflow under the current
 arrangement requires space allocated [] for students be used 25X1
 for conference attendees. Cost of a new wing based on a 1981 engineer-
 ing study is estimated at \$272,320.

TOTAL COST	<u>\$273K</u>
BUDGET	<u></u>
SURGE	<u></u>
SAVINGS	<u>Greater capacity to</u> <u>train.</u>

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5. IMPLEMENT FIELD PATB-II TESTING

Implement field Psychological Applicant Test Battery-II (PATB-II) testing - capital investment circa \$50,000. Cursory survey conservatively projects a savings circa \$100,000 or more a year as follows: a reduction of TDY time of applicants in Headquarters; reduction in psychometrist's time in testing and handling of skills bank reporting; a gain of three weeks processing time for applicants, and improved Psychological Services Division response time to consumers.

TOTAL COST	<u>\$80K</u>
BUDGET	<u></u>
SURGE	<u></u>
SAVINGS	<u>\$100K/Yr.</u>

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6. NEW CLASSROOM BUILDING AND DORMITORY - [REDACTED]

25X1

Current Directorate of Operations personnel projections indicate a minimum of [REDACTED] career trainees (CTs) for the DO in FY-82 and FY-83, and possibly FY-84. Other components project CT requirements of [REDACTED] per year or a total of [REDACTED] CTs in FY-82, FY-83, and possibly FY-84.

25X1

[REDACTED] is currently unable to accommodate such a large increase of students and still maintain the current training program which includes training Department of Defense personnel.

Additional classroom space and a dormitory to accommodate a minimum of [REDACTED] and a maximum of [REDACTED] students will be required.

Six classrooms 20x30 feet will cost an estimated \$180,000 to \$220,000, not including furniture.

An [REDACTED] with no furniture will cost \$2,280,000.

Total estimated cost \$2,500,000.

TOTAL COST	\$2500K
BUDGET	
SURGE	
SAVINGS	<u>Better able to perform training activities at required levels.</u>

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7. IMPROVED ENERGY EFFICIENCY OF EXISTING BUILDINGS AND EQUIPMENT

Caulk and Weatherstrip all Windows at Headquarters:

For an initial cost of \$339,671, an energy savings of \$69,332 per year is estimated to be possible.

Install Computerized Total Energy Management System for GSA Operators:

For an initial cost of \$819,896, an energy savings of \$366,025 per year is estimated to be possible.

Install Variable Air Volume System in Certain Areas in lieu of Constant Volume System Presently Installed:

For an initial cost of \$2,016,798, an energy savings of \$769,165 per year is estimated to be possible.

TOTAL COST	<u>\$3,200K</u>
BUDGET	<u>-0-</u>
SURGE	<u>-0-</u>
SAVINGS*	<u>\$1,200K/Yr.</u>

*These savings will accrue to U.S. Government rather than Agency.

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8. TAKEOVER HEADQUARTERS FROM GENERAL SERVICES ADMINISTRATION

In FY-1981, CIA will pay \$13,500,000 in Standard Level User Charges (SLUC) for the Headquarters complex. In turn, General Services Administration (GSA) will spend an estimated \$8,100,000 to manage, operate, and maintain the complex. The difference in those two figures represents a potential savings to CIA of \$5,400,000, assuming that CIA can operate the building at the same cost as does GSA. Several factors can be expected to drive up the cost to CIA and diminish potential savings.

- a. Under CIA management, Headquarters customers will expect better service. Aside from any questions of the competence of the GSA service organization, GSA budget levels are set at levels of 13 percent or more below known requirements. We anticipate that CIA requirements will be more fully funded, at an estimated cost of \$1,200,000.
- b. There is growing recognition that the Headquarters complex is aging and many of the utility systems exceed their original life expectancy. Cost for programmed replacement and major emergency repairs will fluctuate widely from year to year. Average annual costs for capital repairs and alterations are estimated at \$800,000 more than GSA presently spends.
- c. Whether CIA operates the facility with staff or contractor personnel, there will be additional costs imposed by the need to initially recruit and clear, and maintain a pipeline for a service cadre of approximately 335 persons. GSA is able to minimize these costs by drawing from a pool of available employees at nearby locations who are awaiting clearances. Without a firm basis for calculating any incremental costs, it is assumed the personnel security requirements will cost \$500,000.

The estimated added cost for CIA to operate the Headquarters complex totals \$2,500,000, which reduces the potential savings to \$2,900,000. That figure is judged to be very conservative. This analysis assumes that the \$8,000,000 in reimbursable work funded by the Agency is accomplished by the GSA at cost, an assumption that also tends to understate savings.

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TOTAL COST	<u>\$10,600K FY-81</u>
BUDGET	<u>\$13,500K FY-81</u>
SURGE	<u> </u>
SAVINGS	<u>\$2,900K FY-81</u>

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7. COMPUTER ASSISTED LANGUAGE INSTRUCTION

In 1979 the Office of Personnel Management reported on computer assisted instruction applications in several fields which resulted in a 30 percent reduction of the instructor staff with no diminution of quality of learning. While none of these applications exactly parallel language training, there is reason to believe that some aspects of language learning lend themselves to computer assisted instruction. For example, use of particular verbs, repetitive sentence structures, vocabulary drills, etc. We doubt that instructor positions can be reduced by computer assisted instruction. The benefit would be increased proficiency in foreign languages for Agency employees.

TOTAL COST	<u>TBD</u>
BUDGET	<u></u>
SURGE	<u></u>
SAVINGS	<u>Improved efficiency</u> <u>in language training</u>

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8. AUTOMATION OF LANGUAGE LABORATORY

Language learning is labor intensive. Much can be accomplished in routine drills by automating the system. Currently, the student listens to a recorded tape. Many innovations are possible by tying a CRT to a visual presentation of the language. The initial cost of equipping the language laboratory and the self-learning center would be approximately \$200,000. The return would be a general improvement of language proficiency.

TOTAL COST	<u>\$200K</u>
BUDGET	<u></u>
SURGE	<u></u>
SAVINGS	<u>More efficient lan-</u> <u>guage training</u>

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13